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SUBJECT: CROC MEETING IN MONTERREY MENDES SOME POLITICAL
FENCES, GIVES OVERVIEW OF LABOR MOVEMENT AND REELECTS
NATIONAL LEADER

¶1. Summary: On April 4-5, the CROC (Revolutionary Confederation of Workers and Campesinos) held its 55 th National Council Meeting in the northern Mexican industrial city of Monterrey, Nuevo Leon. The CROC is perhaps the third largest labor federation in the country and its Monterrey meeting was attended by the leader of Mexico,s former ruling party, a Senior GOM labor official, the governor of the Nuevo Leon and representatives from the two largest labor federations in the United States. The highlights of the Monterrey meeting were the presence of the head of Mexico,s former ruling party who sharply criticized the GOM,s performance with regard to economic growth and job creation, and the voice vote re-election of the CROC,s national leader, Isais Gonzalez Cuevas. During his acceptance speech Gonzalez Cuevas presented a general overview of some of the problems facing Mexico,s organized labor such as company controlled or &White Unions8, fake unions which exist only on paper and disunity among the various elements of the country,s labor movement. The CROC leader went out of his way to highlight the cited lack of unity among labor federations. His mention of the problem of disunity among labor unions is interesting because he was discussing a situation made significantly worse by some of his own actions. End Summary.

CROC HOLDS NATIONAL MEETING IN MONTERREY

¶2. The CROC (Revolutionary Confederation of Workers and Campesinos) held its 55th National Council Meeting in the northern Mexican industrial city of Monterrey, Nuevo Leon on April 4-5. Although the meeting was attended by delegates from the 32 state organizations that make up this national labor federation the star of this particular show was the CROC,s national leader, Isais Gonzalez Cuevas. The meeting was at times a raucous event during which the delegates and a variety of invited participants attended round tables discussions on a broad range of social and labor related issues. Some of the issues discussed included topics like global warming, combating drug addiction, domestic violence, social security (a term used in Mexico to refer to both health care and pension issues), economic development and productivity, and dealing with issues of child labor.

¶3. The CROC is perhaps the third largest labor federation in Mexico. In recent years the CROC has adopted a philosophy it calls &social unionism8 which might be more accurately

described as &socially responsible unionism.⁸ This philosophy holds that unions should not only concern themselves with traditional labor issues but should also attempt to address the topics that workers face during the 16 hours of the day when they are not at their jobs. For example, the CROC has been particularly active in combating the commercial sexual exploitation of children. Their efforts in this area have, at various times, been supported with limited funding from both USAID and the US Department of Labor.

SPECIAL INVITEES

14. In addition to the thousands of union delegations from across Mexico who attended the convention, the CROC event was also attended by a number of high profile special invitees. Among the invitees in attendance was Nuevo Leon,s Governor, Natividad Gonzalez Paras, the ILO representative in Mexico, an Undersecretary from the GOM,s Secretariat of Labor (STPS), US representatives from the AFL-CIO and from the Service Employees International Union (SEIU), personnel from AmConsul Monterrey and Mission Mexico,s Labor Counselor. The organizers of the Monterrey meeting made every effort to underscore the attendance of all the special invitees but labor the federation appears to have made a special effort to highlight the presence Beatriz Paredes Rangel, the national leader of Mexico,s former ruling party, the Institutional Revolutionary Party (PRI). The attendance Beatriz Paredes was a significant event for the CROC; serving as clear sign that the party and the union have agreed to put past differences behind them.

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THE CROC MENDS POLITICAL FENCES

15. In 2006, for reasons largely attributed to personal ambition, the CROC,s national leader decided to support the presidential candidacy of PRD (Democratic Revolutionary Party) nominee Andres Manuel Lopez Obrador. Since the time of its formation 1952, the CROC has been formally affiliated with the PRI and has always supported the party,s presidential nominees. However, just a few months before Mexico,s July 2006 presidential election Gonzalez Cuevas decided not to support the PRI candidate and instead chose to endorse the PRD,s nominee. Ultimately, Gonzalez Cuevas, decision was not enough to help the PRD win but many in the PRI believe his actions were responsible for the PRI,s fall from being Mexico,s opposition party to being the smaller of its two main opposition parties.

16. Relations between the CROC and the PRI have not been the same since July 2006. This cooling of relations between them has been an issue the two organizations did little to overcome until very recently. Last month, on March 4, PRI national leader Paredes invited Gonzalez Cuevas to the party,s 79th anniversary celebration and gave him a prominent spot on the podium. Gonzalez Cuevas apparently reciprocated by inviting Paredes to the CROC,s Monterrey meeting and allowing her to make a formal speech at the event.

17. According to press reports, while Paredes, speech forcefully promoted issues important to Mexican organized labor it also took numerous swipes at the GOM,s currently ruling National Action Party (PAN). Paredes sharply criticized Mexico,s weak economic growth under the former and current PAN administrations. She was reminded those present that the previous PAN administration had said it could generate an economic growth rate of 7 percent a year yet never came anywhere near that figure (actual average annual grow rate was 2.3 percent). The PRI leader then

pointed out that while running for office Mexico,s current president promised to be the &employment president8. Thus far, Paredes underscored, Mexican workers were still waiting to see even a fraction of the 1.3 million jobs the country needs annually to keep up with the number of people entering the job market.

CROC LEADER RE-ELECTED

¶8. The main event at the CROC,s Monterrey meeting was the re-election of the labor federation,s national leader Isaias Gonzalez Cuevas. Gonzalez Cuevas, re-election nomination was made (reluctantly it appears; see Septel) by the Secretary General of the CROC in Nuevo Leon, Agustin Serna Sevin. Nuevo Leon,s CROC leader called for the re-election of Gonzalez Cuevas as the surest way to continue supporting the various elements of the labor federation,s &social unionism8 philosophy. Serna Sevin also indicated that Gonzalez Cuevas, continued leadership as the CROC,s national leader would help promote unity within the labor federation.

¶9. Isais Gonzalez Cuevas, was re-elected for four more years. The election itself was carried out by a &yea or nay8 voice vote. There were no other candidates nominated nor any opportunity for others who might have been interested in running for the office of CROC national leader to step forward. Gonzalez Cuevas, re-election process would not have met even the broadest definition of what the international community generally refers to as a free, open and democratic union election. However, the process was a fairly common and widely accepted method used by Mexican labor unions which, in theory, negotiate internally when electing or re-electing prior to the holding of a national convention.

CROC LEADERS SAYS MEXICAN LABOR UNIONS IN CRISIS

¶10. According to media reports, Isaias Gonzalez Cuevas used
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his acceptance speech to present an overview on the state of organized labor in Mexico. In this overview the CROC leader reaffirmed what many other observers of Mexican labor have stated before; namely that Mexico,s labor movement is in a state of crisis. Gonzalez Cuevas firmly rejected exaggerated suggestions that organized labor in Mexico might be fatally wounded but he did make clear that there were real problems in the movement that needed to be addresses. Three of the most widespread ills cited by the CROC leader were (a) the problem of company controlled unions, (b) protection contracts and (c) outsourcing.

¶11. Company controlled unions are a particularly pervasive phenomenon in Nuevo Leon and other parts of north Mexico where the region,s private sector has created its own company friendly/controlled unions; often referred to as &White Unions.8 These &White Unions8 have been used to keep more traditional unions from growing too large or from being too aggressive (from the private sector,s perspective) in contract negotiations or at promoting worker rights (from the labor union,s perspective). The organizations that form these company friendly unions can, and have been used to supplant more traditional unions in a wide variety of collective bargaining situations.

¶12. Gonzalez Cuevas next turned to the issues of protection contracts and outsourcing. Unlike the phenomena of &White Unions8 the problems of protection contracts and outsourcing are not, comparatively speaking, limited to a particular geographic region of Mexico. Protection contracts are used to create unions which only exist on paper. Once established, the holders of these contracts are views by GOM

labor authorities as legal representatives and bargaining agents of the workers. Companies that employ protection contracts often do so with the active support and collusion of a legitimate Mexican labor federation and use them to dictate salaries, and collect a cash portion of a workers wages and benefits. Gonzalez Cuevas called on the GOM and Mexico,s organized labor movement to do everything possible to eliminate protection contracts. In discussing outsourcing the CROC leader described it as a harsh tool blatantly used by some to circumvent Federal Labor Laws with regard to job cut backs and mandatory benefits. That said, he conceded that outsourcing was a reality in today,s global economy. Gonzalez Cuevas urged the GOM to establish some minimum levels of government regulation of outsourcing in order to give workers a basic level of labor rights and protections.

A CALL FOR UNINTY

¶13. A major element of the CROC leader,s overview of the problems of Mexico,s organized labor movement was the emphasis he placed on the difficulties cause by a lack of unity amount Mexican labor federations. In commenting on this problem Gonzalez Cuevas pointed out that a lack of labor unity was one of the main reasons why only about 7 million workers in Mexico are unionized out of the more than 40 million in the country who are economically active. Gonzalez Cuevas called for greater unity among Mexico,s labor federations as a way of promoting and protecting the interests of the country,s workers. The CROC leader,s comments were noteworthy not just because, from labor,s perspective, they are true but rather because he himself has significantly contributed to the problems of labor disunity.

¶14. In 2006 when Gonzalez Cuevas supported the PRD and not the PRI candidate for president many said he did so because the former ruling party did not back his bid to be the president of a major national labor umbrella organization. Since his failed bid to lead this umbrella organization, Gonzalez Cuevas has directed the CROC not to participate in numerous labor actions or events organized by other PRI affiliated labor organizations. His calls for labor federation unity notwithstanding, just days after the end of the CROC,s Monterrey meeting the federation announced that once again it would not participate in the officially May 1 celebrations traditionally held by PRI affiliated labor federations.

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COMMENT

¶15. The CROC,s Monterrey meeting was a useful event for the labor federation as it provided a very public forum to show that the organization was mending its fences with the PRI. This will be important in the days ahead as it would give the CROC an opportunity to be heard by the party as the GOM works with the Mexican congress in the current session of the legislature on such matters as labor and energy reform. The presence at the event of representatives from American labor federations (AFL-CIO and SEIU) was also a plus for the CROC as a sign that labor organizations in both countries are attempting to coordinate their activities. These two items are positive accomplishments for the CROC. However, in terms of promoting worker interests, it would have been even better for the CROC if the organization had begun to act on its own call for greater labor unity in Mexico.

¶16. This message was cleared by AmConsul Monterrey. Visit Mexico City's Classified Web Site at <http://www.state.sgov.gov/p/wha/mexicocity> and the North American Partnership Blog at <http://www.intelink.gov/communities/state/nap> /

